REMARKS

Claims 1-2 and 4-5 are pending in this application, of which claims 1 and 2 have been amended. Claim 3 has been cancelled. No new claims have been added.

Claim 2 stands objected to for various informalities which have been corrected in the aforementioned amendments.

Claims 1-3 stand rejected under 35 USC §102(b) as anticipated by EP 08 13325 A2 (hereinafter "EP '325").

Applicants respectfully traverse this rejection.

EP '325 discloses a method for performing a transaction that is initiated over an open communication network between a user and a remotely located server. The open communication network may be the Internet, for example. A transaction identification number is received from the remotely located server over the open network and subsequently, communication between the user and the remotely located server is discontinued. Communication is established between the user and a transaction server. The transaction server is operatively coupled to the user and the remotely located server over a communication network which is isolated from the open network. The transaction identification number is transmitted to he transaction server over the communication network. After the transaction server confirms the validity of the transaction identification number, in response to a request from the transaction server, a transaction authorization number is transmitted over the communication network to the transaction server to complete the transaction.

EP '325 discloses that transmission of a transaction identification number over the open

network triggers cessation of communication over the open line and initiation of communication over the isolated (secure) line.

This is in contrast to the present invention, in which the authentication of a <u>personal</u> identification number of a card having the function of settling a price of purchase made by a user is accomplished over the private (secure) line, while the merchandise is advertised over the open line, as recited in claim 3 of the instant application.

Accordingly, claim 3 has been canceled and its limitations added to claim 1.

Thus, the 35 USC 102(b) rejection should be withdrawn.

Claims 1-3 stand rejected under 35 USC §102(b) as anticipated by WO 99/23617 (hereinafter "WO '617").

Applicants respectfully traverse this rejection.

WO '617 discloses a method for transmitting data and implementing server. As noted in the Abstract:

The invention concerns the combined use of at least two communication networks and more precisely confidential data exchange to a first data medium user by means of a second data medium via a mechanism synchronizing the data media and sending data from one medium to the other. The data transmission method on a first medium thus consists in: an operation for opening a communication session with means of communication remotely located, on said first communication medium; and during said session; an operation for receiving confidential information on a single address terminal on a second communication medium; and an operation for transmitting, on the first communication medium, a confidential message representing the confidential information; an operation for verifying whether the confidential message corresponds to the confidential information.

Like <u>EP '325</u>, <u>WO '617</u> fails to disclose the limitations of amended claim 1 involving the use of a personal identification number.

Thus, the 35 USC 102(b) rejection should be withdrawn.

Claims 4-5 stand rejected under 35 USC §103(a) as unpatentable over either **EP '325** or **WO '617** in view of U.S. Patent 5,727,163 to Bezos (hereinafter "**Bezos**").

Applicants respectfully traverse this rejection.

<u>Bezos</u> discloses a secure method for communicating credit card data when placing an order on a non-secure network.

The Examiner has urged that column 2, lines 12-43 discuss encryption methods but, like the other cited references, <u>Bezos</u> fails to teach, mention or suggest the limitations of claim 3, which have been added to claim 1, from which claims 4 and 5 depend.

Thus, the 35 USC 103(a) rejection should be withdrawn.

In view of the aforementioned amendments and accompanying remarks, claims 1-2 and 4-5, as amended, are in condition for allowance, which action, at an early date, is requested.

If, for any reason, it is felt that this application is not now in condition for allowance, the Examiner is requested to contact Applicants undersigned attorney at the telephone number indicated below to arrange for an interview to expedite the disposition of this case.

U.S. Patent Application Serial No. 09/667,440

In the event that this paper is not timely filed, Applicants respectfully petition for an appropriate extension of time. Please charge any fees for such an extension of time and any other fees which may be due with respect to this paper, to Deposit Account No. 01-2340.

Respectfully submitted,

ARMSTRONG, KRATZ, QUINTOS,

HANSON & BROOKS, LLP

William L. Brooks

Attorney for Applicant

Reg. No. 34,129

WLB/mla Atty. Docket No. **000583** Suite 1000 1725 K Street, N.W. Washington, D.C. 20006 (202) 659-2930

23850

PATENT TRADEMARK OFFICE

Enclosures:

H:\HOME\letitia\WLB\00\000583\amendment oct 2003